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This information is for: Active Member, Public Agency Employee

[Member Information](#) > [Service Credit](#) > [Important Changes Impacting Service Credit Purchase Costs](#)

Important Changes Impacting Service Credit Purchase Costs

One of the factors used to determine the cost of a service credit purchase are certain "actuarial assumptions." We look at the projected retirement benefit increase you can expect to receive from this additional service credit (at retirement, disability, death, or other termination from employment). The actuarial tables used in this process are updated as needed due to existing benefit changes, new benefits mandated by law, changes in retirement assumptions to reflect our current best estimate of retirement patterns, or other actuarial factors.

It is anticipated that the CalPERS Board will adopt new actuarial assumptions at their May 2004 meeting. If adopted, these assumptions will apply to service credit purchases, retirement benefits, and new optional benefits starting in December 2004.

The new actuarial assumptions will impact the cost calculations for **Additional Retirement Service Credit, Military Service, Peace Corps/Americorps*VISTA & Americorps, and certain Leaves of Absences (Maternity/Paternity, Educational, Sabbatical, and Service).**

Remember - the date of your formal request for purchase determines which factors are used for your cost calculation. These conditions include salary, special compensation, benefit formula, and the actuarial assumptions.

It's important you are aware of this information **before** you make a service credit purchase, since that decision is irrevocable. Different actuarial assumptions apply to members in different situations, so it's not possible to anticipate if these changes will result in an increased or decreased cost to you personally.

Work is currently underway to include these changes in our Service Credit Cost Estimator and Retirement Planning Calculator. The new versions should be available in October 2004. These online services can assist you in making your decision about **if - and when -** to purchase service credit.

Note: Unfortunately, our CalPERS Customer Contact Center and Regional Office representatives will not be able to provide any additional information on the actuarial assumption costing changes other than what is provided here. If you are planning a service credit purchase, be sure to check back here for updates. These will be done as soon as more specific information becomes available.

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